

# CASCADE NATURAL GAS CORPORATION

## Washington Energy Assistance Fund (WEAF)

### Program Year 2019-2020 Annual Report

#### Overview

In accordance with the terms established in Schedule 303, Washington Energy Assistance Fund (WEAF) Program, Cascade Natural Gas Corporation (Cascade or the Company) provides the following annual report for its 2019-2020 program year beginning October 1, 2019 and ending September 30, 2020.

#### Washington Energy Assistance Fund (WEAF) Program

The Washington Energy Assistance Fund (WEAF) program provides bill payment assistance to qualifying low-income residential customers of Cascade Natural Gas Corporation (Cascade or the Company). The program is administered and delivered through the Community Action Agencies (Agencies) located throughout the Company's service territory in Washington. Customers qualify for WEAF assistance if their combined household income is less than or equal to 200% of the Federal Poverty Guidelines<sup>1</sup>. A qualified customer is awarded a WEAF grant of up to \$500 per household per program year and the grant is applied directly to the customer's natural gas bill. The program helps customers stay connected to energy service by reducing arrearages and seeks to reduce the overall cost of bad debt by preventing the accrual of large unpaid balances for all customers.

#### Program Budget Cap

The settlement concluding the Company's 2015 rate case established "not to exceed" spending caps for the five program years starting in 2016-2017 and ending in 2020-2021. The settlement agreement also contained a provision allowing Cascade to petition for additional funding if the spending caps proved insufficient to meet demand. On June 13, 2017, Cascade filed a petition with the Commission requesting authorization to increase the program year spending caps by 15%, allow an additional 5% soft cap buffer, and defer program costs that exceed the amounts collected in Schedule 593. The Commission approved this request. Table 1 below presents the program year budget as initially established in Commission Order No. 04 which adopted the UG-152286 settlement agreement, and the 15% increase and the additional 5% soft cap, both of which were authorized by Commission Order No. 05 issued in UG-152286:

<b>TABLE 1</b>				
<b>Program Year</b>	<b>Initial Budget Cap</b>	<b>15% Increase</b>	<b>Additional 5% Soft Cap</b>	<b>Program Spending Total</b>
2016-2017	\$1,047,000	\$1,204,050	\$1,256,400	\$1,011,826.75
2017-2018	\$1,100,000	\$1,265,000	\$1,320,000	\$ 926,349.66
2018-2019	\$1,156,000	\$1,329,400	\$1,387,200	\$ 815,912.35
2019-2020	\$1,215,000	\$1,397,250	\$1,458,000	\$1,059,027.96
2020-2021	\$1,276,000	\$1,467,400	\$1,531,200	TBD

For the 2019-2020 program year, the initial budget cap was \$1,215,000. Total spending for the program year was \$1,059,028 which is \$155,972 below budget.

<sup>1</sup> The Federal Poverty Guidelines percentage was increased from 150% to 200% on November 1, 2019.

### WEAF Program Funding

Program funding is collected from all customers through a charge established in Schedule 593 of the Company's Tariff. The rate is established annually to collect the program year's budget. Schedule 593 collections were \$870,084 which is \$344,916 less than budgeted and \$188,944 less than the total amount spent. The WEAF fund began the program year on October 1, 2019 with a balance of \$589,802.

### COVID-19 Pandemic Response

The Company responded quickly to the COVID-19 pandemic and continued to make changes as time passed and the fluid situations across our service territory changed.

- Disconnections for nonpayment for residential and commercial accounts were voluntarily suspended in March and remained suspended beyond the end of the program year.
- The Company created the Hardship Economic Assistance Receivable Temporary (HEART) grant which was approved by the WUTC in April. This grant is a one-time benefit for customers experiencing financial hardship due to COVID-19 and provides up to \$200 / \$400 maximum to be applied to the past due balance. This grant is issued by both the Company and Agencies in order to provide the most relief to the highest number of eligible customers. Agencies earn \$25 per qualifying household. This grant does not impact or interfere with traditional WEAF grant award amounts, processes, or policies. The HEART grant program is in effect until March 31, 2021. The Agency and Company's direct assistance totals for this program year:

HEART Grants	Dollars	Qty	Average
BMAC	\$ 315.00	1	\$ 315.00
CAC	\$ 6,693.00	32	\$ 209.16
CACLMT	\$ -	0	\$ -
CCAP	\$ 916.00	6	\$ 152.67
CDCAC	\$ -	0	\$ -
CNG	\$ 81,561.48	435	\$ 187.50
KCR	\$ 1,000.00	5	\$ 200.00
LCCAP	\$ -	0	\$ -
NCAC	\$ 800.00	4	\$ 200.00
OIC	\$ 1,430.00	5	\$ 286.00
OPPCO	\$ 18,236.00	87	\$ 209.61
SCCAA	\$ 3,140.98	15	\$ 209.40
SCEAP	\$ -	0	\$ -
<b>Total</b>	<b>\$ 114,092.46</b>	<b>590</b>	<b>\$ 193.38</b>

- The Company increased awareness of the WEAF and HEART programs to our customers on our existing Facebook and Twitter social media pages as well as our company website. These posts were designed to ensure customers were aware that help remained available and how to apply.
- The Company also attempted to increase awareness with new radio advertising. Throughout the program year we increased WEAF and HEART promotion with our existing partners Cherry Creek Radio (Eastern Washington) and Cascade Radio (Western Washington), and we began a new internet radio partnership with Crista Media (Northwestern Washington). A total of 1,674 radio ads in English and Spanish specifically created for COVID response were aired on nine stations which reached most of our service territory across the state. Some stations also provided space on their websites for additional promotion in English and Spanish.
- The actual outreach spending totals for the program year were:

<i>* Other Program Costs:</i>	<i>Total</i>
<i>Facebook Charges</i>	<i>\$ 2,249.91</i>
<i>Google AdWords</i>	<i>\$ 872.60</i>
<i>Twitter</i>	<i>\$ 789.73</i>
<i>Cascade Radio Group (western WA)</i>	<i>\$ 42,390.80</i>
<i>Cherry Creek Radio (eastern WA)</i>	<i>\$ 10,560.00</i>
<i>Crista Media (NW WA internet)</i>	<i>\$ 5,000.00</i>
<i>Printed Materials (internal)</i>	<i>\$ 810.00</i>
<i>Appreciation Gift Cards</i>	<i>\$ 2,316.36</i>
<i>Vistaprint</i>	<i>\$ 1,844.18</i>
<i>Forefront Economics (Yakima study)</i>	<i>\$ 19,520.00</i>
<i>Total</i>	<i>\$ 86,353.58</i>

*Printed Materials include WEAf posters and 5x7 handouts for CAAs for program promotion. Vistaprint items purchased include WEAf logoed giveaway items for CAAs for program promotion.*

*Forefront Economics completed a study to determine households in the Yakima area that would likely qualify for WEAf assistance. The results of this study have been made available to OIC of Yakima.*

### **Planned Outreach (Established Pre-Pandemic)**

In the subject program year, Cascade used various marketing channels to inform customers of the WEAf program.

- **Bill insert:** Bill inserts notifying customers of the available low-income assistance programs were issued. A bill insert specifically for WEAf was issued in February 2020.
- **Customer Service Agents:** Customers who call Customer Service to request a payment plan or indicate they are having difficulty paying their bill are provided information about the available assistance programs as well as the contact information for the Agency in their area.
- **Cascade Website:** The Company maintains [www.cngc.com](http://www.cngc.com) which informs customers about the program and directs them to the appropriate Agency administering the program.<sup>2</sup>
- **Agency Handouts:** The Company also provided Agencies with program brochures and other Cascade logoed handouts to help inform customers about assistance programs.
- **Radio:** The Company worked with two companies, Cherry Creek Radio in the Tri-Cities and Cascade Radio Group in Mount Vernon to place English and Spanish ads on their stations promoting the WEAf program. A total of 1,433 radio ads in English and Spanish were aired on eight stations which reached most of our service territory across the state. Some stations also provided space on their websites for additional promotion in English and Spanish.
- **Facebook:** The Company added WEAf-themed posts to our Facebook page to explain and promote the program. The posts were Sponsored to increase reach and exposure. See Appendix I titled *2020 WEAf Digital Campaigns Report*.
- **Pilot Programs**  
Our 1-year marketing pilot programs did not perform as desired and the agencies did not participate as expected. We offered agencies \$10 for each FPL percentage and survey response, and \$25 per customer referral submitted. The FPL response rate was 82%, survey was 66%, and there were no customer referrals. Of these programs, FPL percentage has been renewed for the

<sup>2</sup> See <https://www.cngc.com/customer-service/low-income-assistance-programs>

2020-2021 program year. A total of 91 customers were reported by CAAs to have qualified between 151% - 200% of FPL for the program year. The breakdown by agency:

	<b>Total</b>
BMAC	6
CAC	6
CACLMT	0
CCAP	2
CDCAC	0
KCR	5
LCCAP	0
NCAC	11
OIC	27
OPPCO	28
SCCAA	6
SCEAP	0
<b>Total</b>	<b>91</b>

**Forefront Economics Study of Yakima County, Washington**

In early 2019, WUTC Staff suggested Cascade utilize WEAFF funds to hire an outside consultant to analyze which residential premises in Cascade’s service territory might be most eligible to receive WEAFF assistance with the goal of improving overall customer participation of WEAFF. In September of 2019, Cascade commissioned Forefront Economics of Beaverton, Oregon to develop a premise-level residential database of likely WEAFF participants in Yakima County. Yakima County was chosen for its relatively large overall customer base along with a proportionally large population living below 150% of the federal poverty line<sup>3</sup>. The Company also considered the fact that the local Community Action agency serving Yakima County has an excellent track record of community engagement and WEAFF pledges. The Company and the agency believed the agency would be well positioned to reach out to a targeted list of customer premises at the conclusion of the study. The WEAFF Advisory Group was presented with the initial study proposal and was given subsequent updates during the study period by Forefront Economics.

In February of 2020, Forefront Economics produced a ranked database of likely households in Yakima County that would be eligible for WEAFF program assistance. The propensity study was developed by analyzing variables from structure and property attribute data from county assessor records and Company customer data. The Company has engaged the local Community Action agency in Yakima County to discover ways that households identified in the study database could begin to receive targeted mailings and other forms of outreach informing them about the WEAFF program. Due to the effects of the pandemic on their day-to-day operations, the Community Action agency became unsure they would be able to use the study to attract new applicants. As a result, the Company will be using the study’s results to conduct our own targeted outreach during the 2020-2021 program year.

In the coming year, the Company will continue its engagement with the Community Action agency in Yakima county to improve WEAFF participation.

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<sup>3</sup> Per the 2017 Eastern Washington University Low Income Needs Assessment study (UG-152286). The study used 150% FPL per the established program requirement at that time.

### 2019-2020 Program Year Results

The program year results provided below are for October 1, 2019, through September 30, 2020. Pledge spending for the program year was the second highest total of the current program design due to additional pledges made through the HEART grant provided directly to customers by the Company. Without the Company's direct assistance, Agency spending alone resulted in the second lowest spending year of the four completed years of the design (see Table 6).

Table 2 summarizes the program dollars spent:

<b>TABLE 2</b>	
WEAF Transactions on Accounts (includes traditional WEAF and HEART crisis grants, refunds to WEAF GL account, and accounting corrections)	\$ 783,299.38
Administrative Fees paid to Agencies	\$ 189,375.00
Total Dollars Spent on Marketing	\$ 86,353.58
By CNGC	
Facebook	\$ 2,249.91
Google Adwords	\$ 872.60
Radio	\$ 57,950.80
Printed Materials (internal)	\$ 810.00
WEAF Logo'd Giveaways for Agencies	\$ 1,844.18
Appreciation Lunch Gift Cards for Agencies	\$ 2,316.36
By Agencies	\$ -
Total Dollars Spent	\$ 1,059,027.96

Table 3 shows the pledges submitted by Community Action Agencies in dollars, the number of homes pledged, and the average grant in the subject program year:

<b>TABLE 3</b>			
<b>Agency</b>	<b>Pledges Submitted</b>	<b>Homes Pledged</b>	<b>Average Pledge</b>
Blue Mountain Action Council	\$ 47,280.00	127	\$ 372.28
Community Action Connections	\$ 54,546.00	206	\$ 264.79
Community Action Council of Lewis, Mason, & Thurston Counties	\$ 12,188.00	35	\$ 348.23
Costal Community Action Council	\$ 16,742.00	51	\$ 328.27
Chelan-Douglas Community Action Council	\$ 1,582.00	5	\$ 316.40
Kitsap Community Resources	\$ 37,989.00	163	\$ 233.06
Lower Columbia Community Action Program	\$ 201.00	1	\$ 201.00
Northwest Community Action Program	\$ 43,274.00	198	\$ 218.56
Opportunities Industrialization Center of WA	\$ 202,236.73	489	\$ 413.57
Opportunity Council	\$ 221,942.45	637	\$ 348.42
Community Action of Skagit County	\$ 70,811.59	260	\$ 272.35
Snohomish County Human Services	\$ 9,972.00	31	\$ 321.68
<b>Total</b>	<b>\$ 718,764.77</b>	<b>2203</b>	<b>\$ 326.27</b>

Table 4 provides the average WEAF pledge amount submitted by the agencies in the subject program year:

<b>TABLE 4</b>	
Average Pledge per Household	\$ 326.27

Table 5 provides the average annual natural gas bill for WEAf recipients in the subject program year:

TABLE 5	
Average Annual Natural Gas Bill	\$ 601.42

Table 6 compares 2019-2020 program year agency activity with prior program years:

TABLE 6			
Program Year	Homes Served	Average Grant	Total Grants
2012-2013	2341	\$299	\$698,935.57
2013-2014	2430	\$313	\$760,759.24
2014-2015	3207	\$254	\$813,338.35
2015-2016	2297	\$318	\$731,058.97
2016-2017	2387	\$341	\$813,911.05
2017-2018	2153	\$345	\$742,581.97
2018-2019	2049	\$314	\$643,570.62
2019-2020	2203	\$326	\$718,764.77

### Low-Income Home Energy Assistance Grant Impact

The WEAf program supplements the Federal government’s Low-Income Home Energy Assistance (LIHEAP) program that is also administered by the Agencies. Table 7 provides the number of LIHEAP pledges and the LIHEAP amount pledged to natural gas customers’ bills:

TABLE 7	
Number of WA LIHEAP Pledges	1190
LIHEAP Pledge Amount	\$ 397,007

### Next Program Year

The program’s minimum budget is \$1,276,000 for the 2020-2021 program year. We have great expectations for this funding to be spent through and of our Community Action agency partners to serve all Cascade customers who request help as a result the pandemic as its effects continue, and to serve them in a timely manner. We are committed to our Community Action partners and promoting their services, maximizing the use of the HEART grant, and providing direct assistance. The willingness and ability of Community Action and the Company to serve customers quickly will be critical as the moratorium on disconnection for nonpayment is lifted as expected in 2021.

### Conclusion

The 2019-2020 program year is the fourth full year after the implementation of the changes adopted in the settlement agreement to UG-152286. Cascade anticipates improvement as the Company works with its advisory group and focuses on the following four program goals adopted as part of the settlement agreement:

1. Keep customers connected to energy service;
2. Provide assistance to more customers than are currently served;
3. Lower the energy burden of program participants; and
4. Collect data necessary to assess program effectiveness and inform ongoing policy discussions.

2020 WEAFF Digital Ads Campaigns

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### Abstract

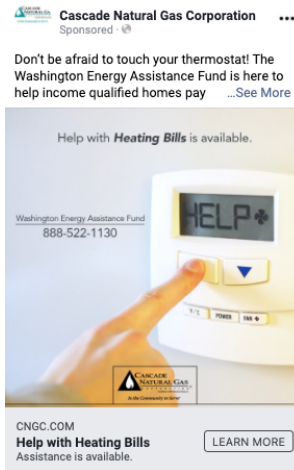
For the 2020 WEAFF program year, Facebook, Twitter, and Google Ads campaigns combined to achieve 1,231,884 impressions with 5,009 of those leading to a user clicking the ad for more information on how to apply to WEAFF. The campaigns ran in three months – November 2019, January 2020, and February 2020, with a combined spend of \$4,022.60. The ads targeted residents within the CNGC Washington service territory. The average cost per click breaks down to \$0.80.

When comparing the three platforms, there is not a clear advantage of one over the other. The performance of each varied from month-to-month with each platform having a slight advantage during different times of the year. However, Twitter and Google Ads had lower average cost-per-click rates when compared to Facebook. In the past, we've seen better performance from Facebook. However, Facebook has made adjustments to how they deliver ads and I believe that had an impact on performance. It will be worth continuing to monitor Facebook through the coming year as more changes are expected including potential blocks for Facebook ads on iOS devices.

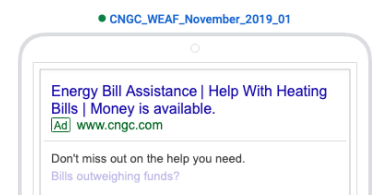
I attribute the success of the Google Ads campaigns to the fact we have been running the ads for a few years now and have been able to develop an affective keyword list. The Google Ads averaged an 11% click-thru rate, which is well above the average rate of 2%.

Overall, I believe advertising on the three platforms establishes a well-rounded campaign that is effective in reaching our customers, and exposing them to the assistance WEAFF offers.

### November 2019 Ads

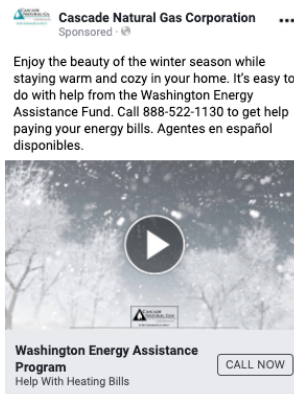


**Cascade Natural Gas** @cascadenatgas · Nov 6, 2019  
Don't be afraid to touch your thermostat! The Washington Energy Assistance Fund is here to help income qualified homes pay their energy bills. Call 888-522-1130 to enroll or visit [cngc.com/customer-servi...](http://cngc.com/customer-servi...) Agentes en español disponibles.

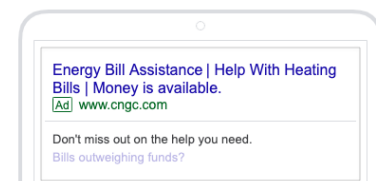
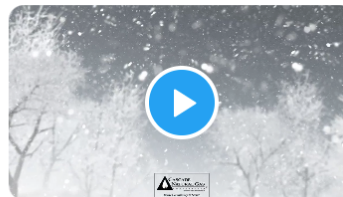


The November 2019 ads combined for 364,694 impressions and 1,420 clicks.

### January 2020 Ads



**Cascade Natural Gas** @cascadenatgas · Jan 6  
Enjoy the beauty of the winter season while staying warm & cozy in your home. It's easy to do with help from the Washington Energy Assistance Fund. Call 888-522-1130 to get help paying your energy bills. Agentes en español disponibles. More information at [cngc.com/customer-servi...](http://cngc.com/customer-servi...)

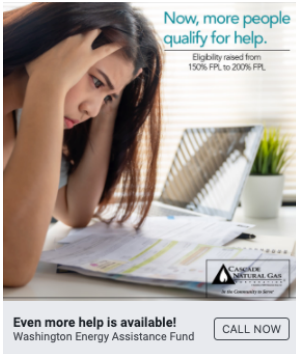


The January 2020 ads combined for 469,252 impressions and 1,789 clicks. The ad was a video ad for Facebook and Twitter which I believe contributed to the increase in impressions and clicks over November 2019.

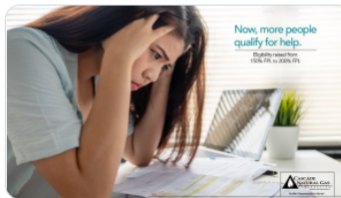
## February 2020 Ads

 **Cascade Natural Gas Corporation** ...  
Sponsored · 

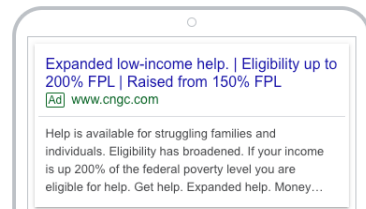
Great news for struggling families and individuals! Eligibility for low-income assistance has broadened to include households whose income is up to 200% of the Federal Poverty Level. Call 888-522-1130 to get help paying your energy bills through the Washington Energy Assistance Fund. Agentes en español disponibles.



**Cascade Natural Gas** @cascadenatgas · Feb 19  
Great news for struggling families & individuals! Eligibility for low-income assistance has broadened to include incomes up to 200% of FPL. Call 888-522-1130, get help paying your energy bills through the Washington Energy Assistance Fund. Agentes en español disponibles.



● CNGC\_WEAF\_February\_2020



The February 2020 ads combined for 397,938 impressions and 1,800 clicks. Google Ads had its lowest click-thru rate this month, and Facebook had its highest. I think the graphic drew more people to the ad.

Platform Reports

Facebook

Reporting Starts	Reporting Ends	Ad Set Name	Ad S	Bi	Ad A	Li	Results	Result Indicator	Reach	Impressions	Cost per Results	Amount Spent (USD)	Ends	Starts	Frequency	Link Clicks	
2019-10-01	2020-09-30		0	0	0	0	223872	reach	223872	332920	3.350129	750			1.4871	254	
2019-10-01	2020-09-30	CNGC_WEAFF_November_201	comp	0	AE	Us	0	223872	reach	223872	332920	3.350129	750	2019-12-13	2019-11-06	1.4871	254

Reporting Starts	Reporting Ends	Ad Set Name	Ad B	Bid Type	A #	Results	Result Indicator	Reach	Impressions	Cost per Results	Amount Spent (USD)	Ends	Starts	Frequency	Link Clicks		
2019-10-01	2020-09-30		0	0	0	186656	reach	186656	427488	4.018087	750			2.290245	126		
2019-10-01	2020-09-30	CNGC_WEAFF_January_2020	cor	0	ABSOLUTE	OC	U	186656	reach	186656	427488	4.018087	750	2020-02-07	2020-01-06	2.290245	126

Reporting Starts	Reporting Ends	Ad Set Name	Ad S	Bi	Ad Se	Ad Set Budget Type	La	Results	Result Indicator	Reach	Impressions	Cost per Results	Amount Spent (USD)	Ends	Starts	Frequency	Link Clicks
2019-10-01	2020-09-30		0	0	0		0	176485	reach	176485	335317	4.249653	750			1.899975	420
2019-10-01	2020-09-30	CNGC_WEAFF_February_2020	com	0	AB	Using	0	176485	reach	176485	335317	4.249653	750	2020-03-13	2020-02-10	1.899975	420

Twitter

Time period	Placement	Ad Group name	Objective	Ad Group s	Ad Group start	Ad Group end	Ad group t	Bid amount	Impression	Spend	Results	Result Type	Result Rate	Result Rate	Cost Per Re	Cost Per Result	Type
Oct 1, 2019	Twitter	CNGC_WEAFF_November_2019	Engagemen	Expired	06-Nov-2019 12:00	06-Dec-2019 23:59	300.00		27921.00	300.00	755.00	Tweet enga	2.70%	Engagemen	0.40	Cost per engagemen	

Time period	Placement	Ad Group name	Objective	Ad Group s	Ad Group start	Ad Group end	Ad group t	Bid amount	Impression	Spend	Results	Result Type	Result Rate	Result Rate	Cost Per Re	Cost Per Result	Type
Oct 1, 2019	Twitter	CNGC_WEAFF_January_2020	Engagemen	Expired	06-Jan-2020 15:00	07-Feb-2020 23:59	300.00		35991.00	300.00	695.00	Tweet enga	1.93%	Engagemen	0.43	Cost per engagement	

Time period	Placement	Ad Group name	Objective	Ad Group s	Ad Group start	Ad Group end	Ad group t	Bid amount	Impression	Spend	Results	Result Type	Result Rate	Result Rate	Cost Per Re	Cost Per Result	Type
Oct 1, 2019	All	CNGC_WEAFF_Feb2020	Engagemen	Expired	21-Feb-2020 12:00	31-Mar-2020 23:59	300.00		50841.00	300.00	730.00	Tweet enga	1.44%	Engagemen	0.41	Cost per engagement	

**Google Ads**

Ad group report										
October 1, 2019 - September 30, 2020										
Ad group status	Ad group	Status	Status reason	Ad group type	Clicks	Impr.	CTR	Currency code	Avg. CPC	Cost
Enabled	CNGC_WEAFF_November_2019_01	Not eligible	campaign e	Standard	411	3853	10.67%	USD	0.47	194.89
Total: Ad groups					411	3853	10.67%	USD	0.47	194.89
Total: Account					411	3853	10.67%	USD	0.47	194.89

Ad group report										
October 1, 2019 - September 30, 2020										
Ad group status	Ad group	Status	Status reason	Ad group type	Clicks	Impr.	CTR	Currency code	Avg. CPC	Cost
Enabled	CNGC_WEAFF_January_2020	Not eligible	campaign e	Standard	968	5773	16.77%	USD	0.35	339.71
Total: Ad groups					968	5773	16.77%	USD	0.35	339.71
Total: Account					968	5773	16.77%	USD	0.35	339.71

Ad group report										
October 1, 2019 - September 30, 2020										
Ad group status	Ad group	Status	Status reason	Ad group type	Clicks	Impr.	CTR	Currency code	Avg. CPC	Cost
Enabled	CNGC_WEAFF_February_2020	Not eligible	campaign e	Standard	650	11780	5.52%	USD	0.52	338
Total: Ad groups					650	11780	5.52%	USD	0.52	338
Total: Account					650	11780	5.52%	USD	0.52	338